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DEVELOPMENTS IN THE URUGUAY ROUND

Note by the UNCTAD secretariat

1. At its 824th plenary meeting, on 26 March 1993, the Trade and Development Board agreed that the Report of the Chairman of Sessional Committee I (TD/B/39(2)/Misc.5) on item 4 (Developments and issues in the Uruguay Round of particular concern to developing countries), should be transmitted to the executive session of the Board scheduled to take place on 27 April 1993.

2. The report is accordingly being made available herein.

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Report of the Chairman of Sessional Committee I on Item 4 - Developments and issues in the Uruguay Round of particular concern to developing countries

1. In accordance with paragraphs 143 and 144 of the Cartagena Commitment, Sessional Committee I discussed developments and issues in the Uruguay Round of particular concern to developing countries. There was unanimity that the successful completion of the Uruguay Round represented a high political priority for all Governments participating in these negotiations in view of their importance for resuming economic growth and strengthening the international trading system. In this connection, the Sessional Committee I agreed by consensus that the Trade and Development Board send a message to the Governments participating in the Uruguay Round of multilateral trade negotiations. The text of the message is circulated in document TD/B/39(2)/L.6.

2. The message will be submitted to the President of the Board as an important policy outcome of this session.

3. The Committee also held important informal discussions on the Uruguay Round with the participation of Mr. Arthur Dunkel, Director-General of GATT. It was felt that such cooperative forms of work between UNCTAD and GATT should be actively pursued in the future.

4. In the course of the discussions several substantive views were communicated from various delegations. Among these were the following:

(a) Many delegations considered as very important and timely the initiative by H.E. Carlos Saul Menem, the President of Argentina, in addressing a letter, on 11 March 1993, on behalf of 37 Governments, to the President of the United States, the Commission of the European Communities, the Council of the European Communities and the Prime Minister of Japan. This letter had addressed the main issues involved in the final stage of the Uruguay Round and had urged that the highest priority be accorded to efforts aimed at an early and successful conclusion of the Uruguay Round.

(b) Delegations from developed countries recognized their responsibility and reconfirmed their political desire to bring the Round to a successful and balanced conclusion. It was also felt that the United States, the European Communities and Japan needed to provide leadership at this critical stage of the Round.

(c) The delegations representing the least developed countries urged the international community and in particular the participants in the Uruguay Round to recognize the special difficulties of these countries and provide for a differential and more favourable treatment to them in specific negotiating areas, including in relation to market access, rules of origin, anti-dumping, technical barriers to trade, safeguards, sanitary and phytosanitary measures, textiles and clothing, trade-related intellectual property rights, trade-related investment measures and trade in services. In their view, the concerns of the least developed countries should be fully addressed with a view to integrating them in the global system of trade in an equitable manner.

(d) The specific concerns of other developing countries, in particular African countries and net food-importing developing countries should be taken into account in the Uruguay Round.

(e) Some delegations emphasized that both the degree and scope of involvement of developing countries in the Uruguay Round were unprecedented. They had made substantial efforts to create a secured and rational environment for free trade in pursuing the objectives of the Punta del Este Declaration. Many developing countries stressed that they had implemented programmes of trade liberalization reforms autonomously, assuming that their export-driven adjustment programmes would be complemented by improved market access and strengthened disciplines at the international level, in particular through a successful conclusion of the Uruguay Round; on that understanding, they had submitted generous offers for market access in goods and services. However, in their opinion, some developed countries not only failed to respond positively to these gestures, but were also introducing new concepts that could question the merits of an open free-trade system and negatively affect trade prospects of developing countries. In this connection, countries exporters of bananas from Central and South America expressed their dissatisfaction and deep concern over the new bananas import regime in the European Community that were contrary to the objectives of the Punta del Este Declaration on trade liberalization. Some ACP countries stated that the European Communities had entered to contractual obligations with the ACP countries in respect of bananas under the Lomé Convention, and that they expected that these obligations would be honoured and respected.

(f) Most delegations felt that the Draft Final Act provided the basis for an early and successful conclusion of the Uruguay Round, which should be finalized in a balanced manner, incorporating a comprehensive market access package for goods and services, in particular covering items of export interest to developing countries.

(g) Some delegations were of the opinion that it was crucial that transparency be fully assured in plurilateral, multilateral negotiations and in specific consultations among participants in the Uruguay Round.

(h) It was emphasized that an evaluation of the results of the Round relating to trade in goods should be carried out in accordance with Part I, Section G, of the Punta del Este Declaration in order to ensure that developing countries received differential and more favourable treatment.

(i) Several delegations emphasized the valuable role which UNCTAD, as an assembly with universal membership and a particular role in the promotion of the trade and development prospects of the developing countries, could play in this process. UNCTAD was competent to follow the developments in the Uruguay Round within its mandate to review international trade issues that had a bearing on the development process. It was also particularly important that the Trade and Development Board study the substantive developments in the international trading system, inter alia, relating to significant modifications in trade policies of both developed and developing countries with a view to identifying problems and opportunities in international trade in the 1990s.

5. It was agreed that this report will be presented to the executive session of the Trade and Development Board on the Uruguay Round, to be held on 27 April 1993. Some delegations expressed an opinion that the deliberations in Sessional Committee should be aimed at obtaining agreed conclusions. Other delegations felt that on this particular item a Chairman's summary or report would be sufficient. It was agreed that the present report does not create any precedent for future meetings.